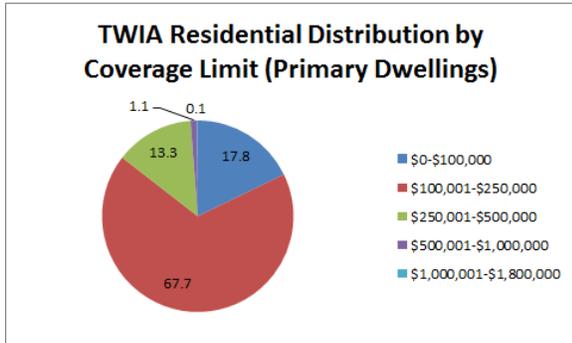
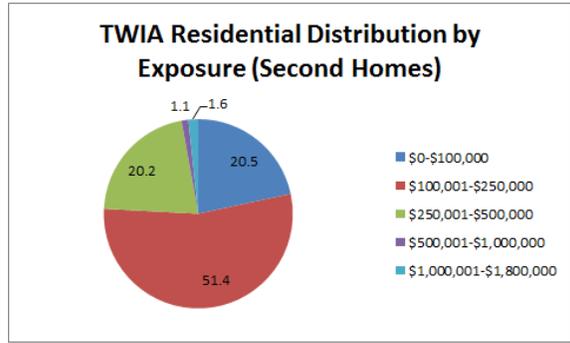




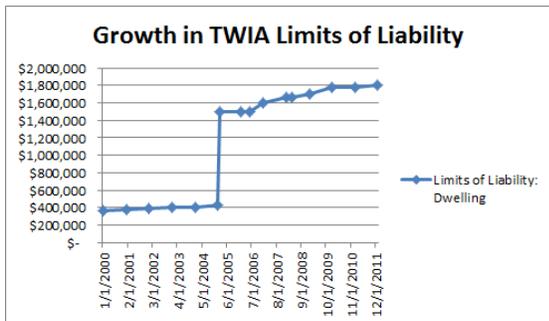
Free markets. Real solutions.



Figures represent percentage of the 199,598 primary residential dwellings insured by the Texas Windstorm Insurance Association, broken down by coverage limits. TWIA has \$35.1 billion of exposure to primary dwellings.

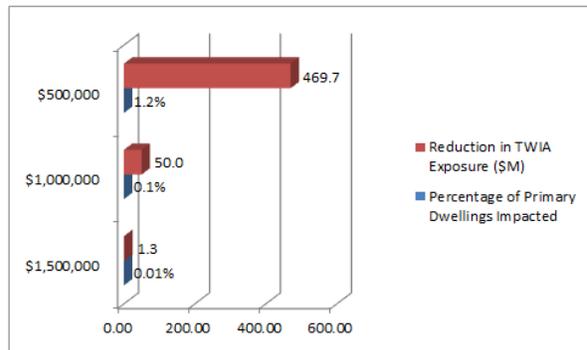


Figures represent percentage of the Texas Windstorm Insurance Association's total \$7.20 billion of exposure to second homes, broken down by coverage limits.



Represents limits of liability for residential dwelling coverage only, which have grown from \$371,000 in 2000 to \$1.8 million in 2012. Coverage limits were \$435,000 – more than double the current median Texas home price of \$175,000 – as recently as January 2005.

Impact of Reducing TWIA Coverage Limits



Represents reduction in total exposure if TWIA's policy limits for primary residential dwellings were reduced to \$1.5 million, \$1.0 million or \$500,000.

- Reducing TWIA's coverage limit to \$1 million will impact just 0.12% of policyholders, or 300 homes, 93 of which are second homes. **It would reduce TWIA's total exposure by \$74.8 million, nearly double the total \$40.3 million exposure for the 2,535 least expensive homes.**
- Reducing TWIA's coverage limit to \$500,000 will impact just 1.3% of policyholders, or 3,210 homes, 784 of which are second homes. **It would reduce TWIA's total exposure by \$648.8 million, nearly double the total \$324.5 million exposure for the 9,251 least expensive homes.**
- Reducing TWIA's coverage limit to \$500,000 for primary dwellings would reduce exposure by \$469.7 million, or just 1.2% of the primary homes insured by TWIA. **Combined with eliminating coverage for the 51,587 currently insured second homes, the program's total exposure would be cut by 18.1%, or \$7.67 billion.**